

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary

June 21, 2002

Lori Wrotenbery Director Oil Conservation Division

Mack Energy Corporation P. O. Box 960 Artesia, New Mexico 88211-0960

Attention: Crissa D. Carter

Re: Administrative application for an exception to Division Rule 104.B (1) for Mack Energy Corporation's proposed Navajo Federal Well No.6 to be drilled 2445 feet from the South line and 1650 feet from the East line (Unit J) of Section 30, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Ms. Carter:

This letter acknowledges your administrative application dated June 18, 2002 for an unorthodox infill oil well location for the above described well to be drilled within a standard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 (Unit J) of Section 30, Township 17 South, Range 29 East, NMPM, Empire-Yeso Pool (96210), Eddy County, New Mexico. The Division received this application on June 20, 2002, and assigned it NMOCD application reference No. pKRV0-217150722. Please refer to this number in future correspondence with the Division.

My preliminary review indicates that the information provided in the application is not sufficient to process an administrative order at this time. It appears that your application is incomplete with respect to notice. Division Rule 1207.A (2) (a) states:

"In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit".

Please identify the working interests within the offsetting lease in the S/2 SE/4 of Section 30 and provide adequate notice to them or explain why notice is not required in this case.

Also, please identify any other Empire-Yeso producing oil well within the subject 40-acre unit and, if applicable, reference any previous Division order that authorized a location except for any such well.

Since the submitted information is insufficient to review, the application was ruled as incomplete on June 21, 2002. Please submit the above stated information by Tuesday, July 2, 2002.

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The Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465 or e-mail me at "*mstogner@state.nm.us*." Thank you.

Sincerely, Michael E. Stogner

Michael E. Stogner Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia